



What Worked - Japan

Beta hurt hard again after being destroyed two weeks ago

7th Apr 2017

Patrick Hansen

What Worked

Beta hit again

High Beta names took another huge hit this week, almost as bad as two weeks ago. However, this week Value was hurt more than it was two weeks ago. High Beta names that were hurt were Toshiba (6502) down 10%, Mitsui Mining and Smelting (5706) down 7% and Taiyo Yuden down 7%. Low PBR names that went down this week were Tokai Rika (6995) down 7%, Dai-ichi Life (8750) down 7% and Resona Holdings (8308) down 6%.

Growth doing well

On the other side, Growth names did well this week and have continued to do well since the beginning of February. However this is the best week for growth names since the rally started. Seven & I Holdings (3382) is up 6%, Shimamura (8227) is up 5% and Ezaki Gilco (2206) is up 6%.

Who Moved

A lot moving on volume

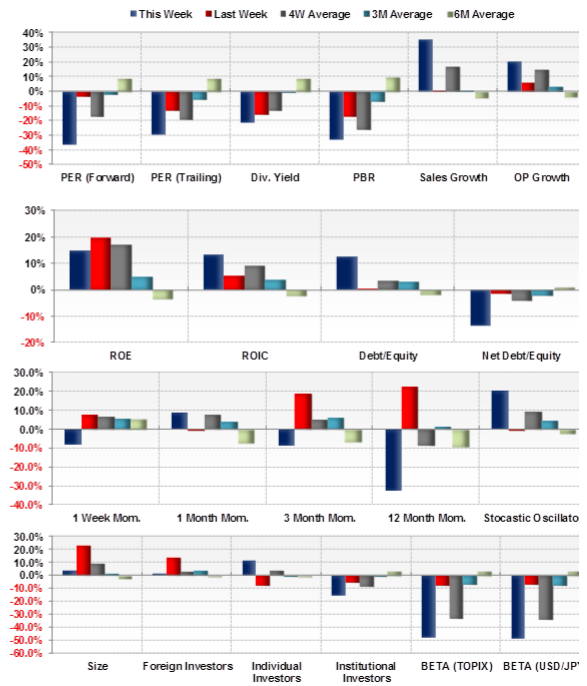
80 names moved on volume this week. This is compared to an average 22 names moving on volume weekly in March. Volume spikes look to be spread relatively evenly across sectors. On the positive side, Sohgo Securities Services (2331) is up 11%, Nitori Holdings (9843) is up 7% and Shimamura (8227) is up 5%. On the other side, Kewpie Corp (2809) is down 9%, Hitachi Metals (5486) is down 6% and NSK (6471) is down 6%..

Summary

TOPIX 500, Week Ending 07 Apr 2017

Signal	-1.0%		-2.0%		-4.9%		-3.3%		10.6%	
	IC	Spread	IC	Spread	IC	Spread	IC	Spread	IC	Spread
Value & Growth										
PER (Forward)	-36.4%	-2.4%	-3.3%	-0.1%	-17.1%	-3.6%	-2.4%	-2.6%	8.4%	10.9%
PER (Trailing)	-29.5%	-2.4%	-13.3%	-1.0%	-19.5%	-5.4%	-5.5%	-8.1%	8.8%	7.6%
Div. Yield	-21.2%	-1.3%	-15.7%	-0.9%	-13.4%	-2.8%	-1.2%	-0.8%	8.5%	12.8%
PBR	-33.3%	-2.3%	-17.3%	-1.0%	-26.2%	-6.4%	-7.2%	-5.3%	9.1%	11.4%
Sales Growth	35.0%	2.2%	0.2%	0.4%	16.5%	4.7%	0.5%	1.7%	-4.1%	-8.4%
OP Growth	20.3%	1.5%	5.6%	0.5%	14.5%	3.6%	3.1%	2.9%	-3.5%	-6.0%
Quality										
ROE	14.9%	1.3%	19.9%	1.5%	17.2%	5.5%	5.0%	5.3%	-3.4%	-4.4%
* ROIC	13.5%	1.5%	5.5%	-0.1%	9.3%	1.8%	3.9%	2.1%	-2.3%	-6.3%
* Debt/Equity	12.6%	1.0%	0.2%	0.0%	3.4%	1.2%	3.2%	2.5%	-1.8%	-5.9%
* Net Debt/Equity	-13.7%	-1.0%	-1.5%	-0.2%	-4.2%	-1.2%	-2.0%	-3.2%	1.0%	-1.8%
Momentum & Technical										
1 Week Mom.	-8.0%	-0.9%	7.6%	0.6%	6.6%	1.4%	5.7%	3.0%	5.0%	3.3%
1 Month Mom.	8.8%	0.6%	-0.5%	-0.1%	7.8%	1.6%	4.0%	3.6%	-7.1%	-0.2%
3 Month Mom.	-8.5%	-0.5%	18.7%	1.1%	5.3%	0.8%	6.4%	3.9%	-6.6%	0.6%
12 Month Mom.	-32.8%	-2.2%	22.3%	1.5%	-8.8%	-2.2%	1.6%	1.6%	-9.0%	-13.5%
Stochastic Oscillator	20.2%	1.2%	-0.5%	-0.2%	9.1%	1.7%	4.3%	3.4%	-2.4%	3.4%
Other										
Size	4.0%	0.5%	23.3%	1.5%	9.2%	2.8%	1.5%	1.2%	-2.2%	-2.3%
Foreign Investors	1.2%	0.0%	14.0%	0.7%	3.2%	0.2%	3.8%	2.7%	-0.6%	2.1%
Individual Investors	11.8%	0.8%	-7.7%	-0.0%	4.1%	1.7%	-0.6%	-0.2%	-0.2%	-1.2%
Institutional Investors	-15.7%	-1.1%	-5.8%	-0.5%	-8.4%	-1.9%	-0.7%	-1.1%	3.0%	2.7%
BETA (TOPIX)	-48.0%	-3.5%	-8.0%	-0.1%	-33.6%	-8.2%	-7.0%	-4.7%	3.0%	4.6%
BETA (USD/JPY)	-48.7%	-3.6%	-7.2%	-0.1%	-33.7%	-8.2%	-7.4%	-5.8%	3.1%	2.4%

* ex Financials
+ Compound weekly spread return over the specified period
Spread is defined as the Long/Short return of the quintiles (i.e. top 20% - bottom 20%, equal weighted)





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Contacts

Hong Kong

Simon Rigney

☎ +852-3958-2394 (HK)
☎ +81-3-5786-3712 (Tokyo)
✉ simon.rigney@custprd.com

Salt Lake City

Patrick Hansen

☎ +852-8191-6925 (HK)
☎ +1-801-230-4796 (SLC)
✉ patrick.hansen@custprd.com

Tokyo

Robert Rowland

☎ +81-3-5786-3711
✉ robert.rowland@custprd.com

Michael Newman

☎ +81-3-5786-3713
✉ michael.newman@custprd.com

Office Locations

Hong Kong

15/F Langham Place
8 Argyle Street
Mong Kok, Kowloon
Hong Kong S.A.R.

Tokyo

17/F Roppongi Hills North Tower
6-2-31 Roppongi,
Minato-ku, Tokyo
Japan 106-0032

Salt Lake City

299 South Main Street
Suite 1300
Salt Lake City, UT
United States, 84111